tender and should be accepted by all concerned for payment and exchange.

Income tax exemption to political parties

†1715. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to exempt the financial receipts by political parties from income-tax and;

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir. As per the present provisions of Sections 13A of the Income-tax Act, 1961, income from House Property, Capital gains, income from Other Sources and income by way of voluntary contributions, accruing to the political parties, are exempt from income tax, subject to the fulfilment of conditions specified therein.This Section applies to those political parties which are registered with the Election Commission of India under paragraph 3 of the Election Symbols (Reservation and Allotment) Order, 1968 or which are deemed to be registered under the proviso to sub-paragraph-2 of the aforesaid paragraph.

Assessment of Income-tax

716. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Income Tax Assessing Officers at the first stage of assessment raise undue demands, which are quashed at the subsequent stages;

(b) whether it causes not only harassment to the assessees but creates additional work for the Income Tax department; and

(c) in what manner Government propose to make the assessing officers more accountable for their orders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) It is not a general trend of raising undue demands, but there are cases where demands raised by

†Original notice of the question was received in Hindi.

the assessing officers have been deleted by Appellate Authorities. In order to ensure that undue demands are not raised, Commissioners of Income Tax are supervising and monitoring the assessment proceedings.

Clean Note Policy

1717. SHRI R. S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) the clean note policy of Government;

(b) whether surprise checks by Reserve Bank of India have revealed that certain banks are not adhereing to its 'clean note policy;' and

(c) if so, the action taken against these banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The "Clean Note Policy" announced in January, 1999 by Reserve Bank of India (RBI) envisaged making available fresh and clean notes to the people. The banks have been given directive by RBI to do away with stapling of all kinds of notes, stop writing on notes and issue only clean notes to the public. Inspections are being conducted by RBI to ensure the compliance and action like, debiting the amount of stapled notes to the bank, is taken.

Appreciation of Rupee

1718. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Rupee has significantly appreciated against American dollar during the last one year;

(b) if so, whether it has affected India's exports; and

(c) what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) In terms of monthly average exchange rates, the Rupee appreciated by 2.3% against the US Dollar during 2002-03, and by 2% during 2003-04, (April—June).

(b) and (c) Despite the appreciation of the Rupee against the US Dollar, the value of merchandise exports (in Dollar terms) during April-May, 2003-04 increased by 11.12% over April-May, 2002-03. During